

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 93-213-C - ORDER NO. 93-736  
AUGUST 25, 1993

IN RE: Application of Hospitality Communications    ) ORDER  
Corporation for a Certificate of Public        ) APPROVING  
Convenience and Necessity.                    ) CERTIFICATE

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Hospitality Communications Corporation (Hospitality or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. Hospitality's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Hospitality to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing was to inform interested parties of Hospitality's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Hospitality complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

Petitions to Intervene were filed by Southern Bell Telephone and Telegraph Company (Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate). Southern Bell's subsequent Motion to Withdraw from this proceeding was granted by this Commission. The Consumer Advocate has now filed a letter stating it no longer desires to participate at a hearing in this matter.

Stan Slaton, President of the Company, submitted verified testimony and an affidavit on behalf of Hospitality. Mr. Slaton explained Hospitality's request for authority to provide automated operator assistance and direct dial long distance service using the resold transmission services of certificated carriers in South Carolina. He stated Hospitality planned to utilize the long distance facilities of MCI Telecommunications Corporation and Wiltel, Inc. Mr. Slaton explained that, while in some instances Hospitality uses automated equipment to handle operator assisted calls, callers may obtain a live operator by following the instructions in the menu of services. Mr. Slaton testified that Hospitality will comply with the Commission's Guidelines for Operator Services. Mr. Slaton testified that Hospitality has no plans to provide 900 services.

After full consideration of the applicable law, the Application, and testimony and affidavit presented by Hospitality, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Hospitality is incorporated under the laws of the State of California, and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. Hospitality operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. Hospitality has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. The Commission concludes that the Consumer Advocate's request to withdraw its participation should be granted.

2. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Hospitality to provide intrastate service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

3. The Commission adopts a rate design for Hospitality for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re:

Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

4. Hospitality shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Hospitality shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Hospitality's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1992). The appropriate rates for operator assisted and calling card calls should not be higher than the intrastate rates, including the handling service charges and charges for usage, charged by AT&T at the time the call is made.

5. Hospitality shall file a price list within thirty (30) days of the date of this Order.

6. Hospitality is subject to access charges pursuant to Commission Order No. 96-584, in which the Commission determined that for access purposes resellers should be treated similarly to

facilities-based interexchange carriers.

7. With regard to Hospitality's resale of service, an end user should be able to access another interexchange carrier or operator service provider if they so desire.

8. Hospitality shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Hospitality changes underlying carriers, it shall notify the Commission in writing.

9. Hospitality shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

10. Hospitality shall abide by the Commission's Operator Service Providers Guidelines as attached to Order No. 93-534 (June 28, 1993), Docket No. 93-026-C.

11. Hospitality may allow as per its tariff a hotel or motel to collect a surcharge on each call made, said surcharge to be limited to a maximum of one dollar (\$1). Any surcharge added to the charges for a call on behalf of a property owner shall be returned to the property owner. This surcharge can only be added by Hospitality when no other charge is imposed by the property owner.

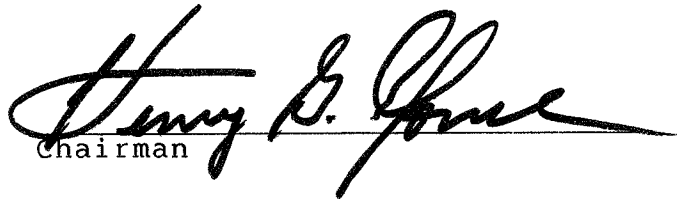
12. Hospitality is required to provide materials to inform users in hotels and motels that operator services are provided by Hospitality, how the user may obtain rate information upon request, the method to contact the company if problems are experienced by the users of the service, and the amount of

surcharge billed on behalf of a customer.

13. Hospitality shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

14. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

DOCKET NO. 93-213-C - ORDER NO. 93-736  
AUGUST 25, 1993  
ATTACHMENT A

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ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR RESELLERS OF TELECOMMUNICATION SERVICE

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12 MONTHS  
ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN  
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF  
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING  
\_\_\_\_\_.

\*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL  
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3  
ABOVE).